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Message Text

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45
ACTION EB-11

INFO OCT-01 ARA-10 ISO-00 DRC-01 RSC-01 /024 W
---------- 119020
P R 161514Z OCT 73
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC PRIORITY 4662
USDOC WASHDC PRIORITY
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 2372

E.O. 11652: N/A
TAGS: BMEP, BR
SUBJECT: RAILWAY CARS FOR BRAZIL

REF STATE 202713; RIO DE JANEIRO 3798

1. CONGEN SAO PAULO HAS UNDERTAKEN EXTENSIVE REVIEW OF POTENTIAL AGENTS IN THE SAO PAULO AREA FOR PULLMAN-STANDARD OR OTHER US COMPANIES INTERESTED IN SUPPLYING RAILROAD CARS TO BRAZIL. THE FOLLOWING ARE THE PRINCIPAL THREE CANDIDATES IN OUR AREA:

(1) COBRASMA S.A. INDUSTRIA E COMERCIO (THE MOST RECENT WTDR DATED 11/72 AND NOT 10/71 AS REPORTED IN REF (A). COBRASMA IS A FIRST RATE COMPANY. YOU WILL NOTE THERE IS US PARTICIPATION IN THE COMPANY ON THE PART OF AMERICAN STEEL FOUNDRIES, CHICAGO, ULLINOIS, WHICH HOLDS 8.5 PERCENT OF THE EQUITY. YOU WILL ALSO NOTE THAT THE COMPANY ALSO HAS AGENCY AGREEMTNS WITH GENERAL STEEL INDUSTRIES, INC., GRANITE CITY, ILL., CARDWELL WESTING-HOUSE CO., CHICAGO, ILL., NORDBERG MFG., CO., MILWAUKEE, WISCONSIN, UNARCO INDUSTRIES, INC., CHICAGO, ILL., AND GENERAL RAILROAD SIGNAL CO., ROCHESTER, N.Y. THE COMPANY ALSO HAS LICENSING AGREEMENTS ON TECHNICAL ASSISTANCE ARRANGEMENTS WITH EIGHT AMERICAN FIRMS. PLEASE ALSO NOTE THAT COBRASMA'S LOCAL OWNERSHIP--BUENO VIDIGAL - GASTAO DE MESQUITA FILHO GROUP IN WHICH THE BRASEIXOS ROCKWELL S.A. (THE LOCAL SUB-SIDIARY OF THE US COMPANY, ROCKWELL INT.) HAS SOME PARTICI-PATION. COBRASMA HAS AN EXCELLENT REPUTATION.
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(2) FNV - FABRICA NACTIONAL DE VAGOES (SEE WTDR OF NOVEMBER 1972). YOU WILL NOTE THAT WHILE FNV HAS ONLY ONE FOURTH OF THE WORKING CAPITAL CLAIMED BY COBRASMA, ITS SALES VOLUME APPOACHES COBRASMA'S. WHILE NOT AS LARGE, IT IS EQUALLY HIGHLY REGARDED. AMONG THE OWNERS OF FNV IS THE CANADIAN BRASCAN GROUP THROUGH ITS LOCAL COMPANY, LIGHT S.A. FNV HAS LICENSING AGREEMENTS WITH FIRESTONE TIRE & RUBBER CO., AKRON, OHIO, SYMINGTON INTERNATIONAL CO., OF CANADA AND MINER ENTERPRISES INC., OF CHICAGO, ILL. ACCORDING TO RECENT PRESS REPORTS FNV WILL PROVIDE CHASSIS FOR THE WASHINGTON D.C. METRO IN AN ARRANGE-MENT THROUGH ROHR INDUSTRIES OF CALIFORNIA.

(3) MAFERSA - MATERIAL FERROVIARIO S.A. THIS COMPANY ALSO HAS AN EXCELLENT REPUTATION ALTHOUGH SOMEWHAT SMALLER THAN THE FIRST TWO. IT HAS RECENTLY WON THE CONTRACT FOR THE SUPPLY OF RAILROAD CARS FOR THE SAO PAULO METRO SYSTEM THROUGH AN ARRANGEMENT WITH THE BUDD COMPANY OF PHILADELPHIA. IT ALSO REPRESENTS THE SAFETY ELECTRICAL EQUIPMENT COMPANY OF NEW HAVEN. WTDR DATED NOVEMBER 1972.

2. PLEASE ADVISE IF YOU WISH CONGEN OFFICERS TO ENTER INTO CONTACT WITH ANY OF THE ABOVE COMPANIES ON BEHALF OF ANY AMERICAN COMPANIES.

3. FOR RIO: ONE KNOWLEDGEABLE LOCAL SOURCE ALSO SUGGESTED THAT PULLMAN OR OTHER US COMPANIES CONSIDER A POSSIBLE ASSOCIATION WITH SANTA MATHILDA OF BELO HORIZONTE, WHICH HE STATES HAS AN EXCELLENT REPUTATION.
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